



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Color Country District Office

Cedar City Field Office

176 East DL Sargent Drive

Cedar City, UT 84721

Telephone (435) 865-3000

www.blm.gov/ut/st/en/fo/cedar_city.html



RECEIVED

JUL 13 2015

DIV. OF OIL, GAS & MINING

July 10, 2015

In Reply Refer To:

UTC01

3809: UTU-91254

Certified Mail - Return Receipt Requested
7013 1710 0000 8705 0127

David Penney
Penney's Gemstones, LLC
P.O. Box 312
Beaver, UT 84713

FILE COPY

Dear Mr. Penney:

Your Notice to conduct exploration activity on your Galaxy lode claim, located south of Frisco Summit in Beaver County, was received in this office on June 29, 2015. The Notice has been assigned Bureau of Land Management (BLM) case file number UTU-91254. Please refer to this number in future correspondence concerning this proposal.

Consistent with the surface management regulations at 43 CFR 3809.311(a), the BLM has reviewed the Notice to determine if it meets the content requirements at 43 CFR 3809.301(b). Based on our review, the following information is still required from you in order for the Notice to be complete:

1. The Notice is missing the taxpayer identification number (SSN for an individual) and the BLM serial number of the unpatented mining claim.
2. Other than a map of the exterior boundary of the claim, there is no map showing the location of the proposed surface-disturbing activity. A map showing the project location in sufficient detail for the BLM to locate the proposed activity is required.
3. The Notice mentions exploration trenching but gives no indication as to the number or location of the trenches. This information is required. If cross country travel is contemplated with the trackhoe to the proposed trenching locations, you need to state this.
4. The schedule of activity is listed as indefinite. A specific project schedule is required in order to determine reclamation timing, costs, and whether the activity will not cause unnecessary or undue degradation. Please note that a Notice can only be accepted for work to be done in a two year period. Therefore, the proposed activity schedule should not exceed two years. If for some reason the work is not accomplished within two years, the Notice may be extended at its expiration date. If you want to conduct additional exploration based on your initial test results, you can request the Notice be modified under 43 CFR 3809.330 to account for the additional activity.

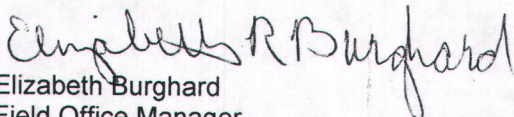
5. A reclamation cost estimate is required in order for your Notice to be considered complete (43 CFR 3809.301(b)(4)). Please provide this estimate in accordance with the requirements at 43 CFR 3809.552. The Cedar City Field Office accepts the use of the State of Utah, Division of Oil, Gas and Mining reclamation fee schedule in estimating the bond amount and we encourage you to adopt this schedule for your estimate.

Until a complete Notice is filed with this office, the BLM is unable to determine that your proposed operations will not result in unnecessary or undue degradation as defined under 43 CFR 3809.5. Please submit the required information at your earliest convenience. Until we receive this information your Notice cannot be processed and the proposed exploration activity is not to take place. Conducting the proposed activities before filing an acceptable Notice as required by 43 CFR 3809.21 is a prohibited act under 43 CFR 3809.605(b).

The mineral being explored for is not specified in your Notice. Presumably the exploration is for geodes and chalcedony masses in the host volcanic rock, as a prior operator carried out exploration for these in the same general area in 1996. This is only a concern to this office with respect to it being a mineral that is subject to location under the General Mining Law (43 CFR 3809.2e). If you are exploring for geodes or similar geological curiosities, please indicate this in your Notice. Geodes can be locatable.

Finally, note that your Galaxy lode claim is entirely located on lode and placer claims currently held by CS Mining, LLC that pre-date your claim. While the BLM does not adjudicate issues of senior mineral rights between rival claimants, the proposed activity could be deemed a mineral trespass in District Court if CS Mining chooses to challenge your claim filing and proposed activity, based on their claim locations being senior to your own.

Sincerely,


Elizabeth Burghard
Field Office Manager

cc: Peter Brinton, Environmental Scientist/Engineer II, DOGM
Leslie Buhler, CS Mining, LLC, P.O. Box 608, Milford, UT 84751